

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 39-2017

Adopted October 17, 2017

**APPROVING THE REPORT TO THE BOARD OF SUPERVISORS ON THE
AMENDMENTS TO THE REDEVELOPMENT PLAN FOR THE MISSION BAY
SOUTH REDEVELOPMENT PROJECT TO REMOVE AN APPROXIMATELY 0.3-
ACRE PORTION OF SEAWALL LOT 337 KNOWN AS “P20” FROM THE
REDEVELOPMENT PLAN AREA AND AUTHORIZING THE TRANSMITTAL OF
THE REPORT TO THE BOARD OF SUPERVISORS; MISSION BAY SOUTH
REDEVELOPMENT PROJECT AREA**

WHEREAS, The Successor Agency to the Redevelopment Agency of the City and County of San Francisco, commonly known as the Office of Community Investment and Infrastructure, (“Successor Agency” or “OCII”) proposes to adopt amendments (“Plan Amendments”) to the Redevelopment Plan for the Mission Bay South Redevelopment Project (“Redevelopment Plan”); and,

WHEREAS, The Board of Supervisors of the City and County of San Francisco (“Board of Supervisors”) adopted the Redevelopment Plan on November 2, 1998 by Ordinance No. 335-98 and amended the Redevelopment Plan on July 9, 2013 by Ordinance No. 143-13; and,

WHEREAS, The Redevelopment Plan establishes, among other things, the land use controls for the Mission Bay South Redevelopment Project Area (“Project Area”). The Redevelopment Plan designates the boundaries for the Project Area (“Redevelopment Plan Area”). The 238-acre Redevelopment Plan Area includes an approximately 0.3-acre portion of Seawall Lot 337 that is subject to the public trust owned and administered by the Port of San Francisco (“Port”), identified as “P20” in the Redevelopment Plan. P20 is bounded on the north by the northern line of Mission Rock Street in its former location, and overlaps a portion of Seawall Lot 337. As a narrow, undeveloped strip of land, P20 is not furthering the objectives and policies of the Redevelopment Plan. The Redevelopment Plan designates the land use for P20 as an open space, however, the future use of P20 as a small open space buffer is no longer viable or desirable; and,

WHEREAS, The State Legislature has declared, pursuant to Assembly Bill 2797, (Chapter 529 of the Acts of 2016) (“AB 2797”), that redevelopment of Seawall Lot 337 is of “particular importance to the state,” and on that basis, has authorized expedited procedures to facilitate the reconfiguration of Seawall Lot 337. Consistent with the foregoing, and as the result of an extended public process, the Port engaged with a private developer to redevelop Seawall Lot 337, Pier 48 and adjacent streets, all as described in the Final Environmental Impact Report (“FEIR”) for the Seawall Lot 337 and Pier 48 Mixed-Use Project (“Mixed-Use Project”). The Mixed-Use Project

calls for the redevelopment of the aforementioned areas as a mixed-use residential and commercial project that will be integrated with the adjacent neighborhood as well as provide parks, open space and enhanced San Francisco Bay connectivity; and,

WHEREAS, The Plan Amendments would facilitate the implementation of the redevelopment of Seawall 337 and Pier 48 as part of the Mixed-Use Project, as authorized under AB 2797 and Proposition D (November 2015); and,

WHEREAS, OCII is recommending approval of the Plan Amendments to implement the intent of the State Legislature and the Port and to advance the objectives and policies of the Redevelopment Plan by removing P20 from the Project Area. The Plan Amendments do not change the authorized land uses under the Redevelopment Plan, and do not increase financing limits or the duration of the Redevelopment Plan; and,

WHEREAS, In accordance with Section 33457.1 of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) (“CRL”), the Successor Agency has prepared the Report to the Board of Supervisors on the Amendments to the Mission Bay South Redevelopment Plan (“Report to the Board”) that contains only the information required by Health and Safety Code Section 33352 that is warranted by the Plan Amendments; and,

WHEREAS, Seawall Lot 337 is underutilized and frequently vacant, thereby contributing to blight within the adjacent Project Area, and both the State Legislature and the Port have determined that P20 should be removed from the Redevelopment Plan in order to effectuate the reconfiguration of Seawall lot 337 and the redevelopment of that site consistent with AB 2797; and,

WHEREAS, Removal of P20 from the Redevelopment Plan would reflect the intent of the State Legislature as reflected in AB 2797, advance the Port’s land use planning efforts for Seawall Lot 337, and promote the objectives and policies of the Redevelopment Plan; and,

WHEREAS, Development within the Project Area is subject to an Owner Participation Agreement between the Successor Agency and FOCIL-MB, LLC that requires, among other things, that the Successor Agency shall obtain the consent of FOCIL-MB, LLC to amend the Redevelopment Plan, which consent has been, or will be provided prior to Successor Agency approval of the Plan Amendments; and,

WHEREAS, On September 14, 2017, the Mission Bay Citizens Advisory Committee (“CAC”) considered the proposed Plan Amendments and recommended approval of the Plan Amendments by the CCII and adoption by the Board of Supervisors; and,

WHEREAS, On October 5, 2017, the San Francisco Planning Commission (“Planning Commission”) certified the Final Environmental Impact Report (“FEIR”) for the Mixed-Use Project under the California Environmental Quality Act (“CEQA”) by

Motion No. 20017, and the FEIR considered and analyzed all environmental effects of the Plan Amendments such that no subsequent or supplemental environmental impact report is required pursuant to Public Resources Code section 21166 or CEQA Guidelines Section 15162; and,

WHEREAS, On October 5, 2017, the Planning Commission found by Motion 20019 that the Mixed-Use Project is consistent with the General Plan and in conformity with the priority policies in Planning Code Section 101.1. The Planning Commission findings encompass the Plan Amendments; now, therefore, be it

RESOLVED, That the Successor Agency Commission hereby approves the Report to the Board of Supervisors, which is attached to this Resolution as Exhibit A, and, be it further

RESOLVED, That the Executive Director is hereby authorized to transmit said Report to the Board of Supervisors for its background and information in considering the Plan Amendments.

I hereby certify that the foregoing resolution was adopted by the Successor Agency Commission at its meeting of October 17, 2017.



Commission Secretary

Exhibit A: Report to the Board of Supervisors on the Amendments to the Redevelopment Plan for the Mission Bay South Redevelopment

EXHIBIT A

**REPORT TO THE BOARD OF SUPERVISORS
ON THE AMENDMENTS TO THE
REDEVELOPMENT PLAN
FOR THE MISSION BAY SOUTH REDEVELOPMENT PROJECT**

Prepared By:

**The Office of Community Investment and Infrastructure,
as the Successor Agency to the San Francisco Redevelopment Agency**

October 17, 2017

**REPORT TO THE BOARD OF SUPERVISORS
ON THE AMENDMENTS TO THE
REDEVELOPMENT PLAN
FOR THE MISSION BAY SOUTH REDEVELOPMENT PROJECT**

INTRODUCTION

The Successor Agency to the Redevelopment Agency of the City and County of San Francisco, commonly known as the Office of Community Investment and Infrastructure (“Successor Agency” or “OCII”), has prepared this report (“Report”) to the Board of Supervisors of the City and County of San Francisco (“Board of Supervisors”) on the amendments (“Plan Amendments”) to the Redevelopment Plan for the Mission Bay South Redevelopment Project (“Redevelopment Plan”).

The Redevelopment Plan establishes the boundaries of the Mission Bay South Redevelopment Project (“Redevelopment Plan Area”). The 237-acre Redevelopment Plan Area, generally bounded by Mission Bay Creek to the north, Seventh Street to the west, Mariposa street to the south, and Terry Francois Boulevard and Third Street to the east, includes Block P20 (“P20”), a narrow, undeveloped 0.3-acre strip of land located in the northeastern corner of the Redevelopment Plan Area. P20 is bounded on the south by the northern line of Mission Rock Street in its former location, and runs between Third Street and Terry Francois Boulevard.

P20 is situated in the southern portion of Seawall Lot 337. Seawall Lot 337—including P20—is public trust property owned by, and subject to the jurisdiction of, the Port of San Francisco (“Port”). However, P20 is the only portion of Seawall Lot 337 located within the Redevelopment Project. The Redevelopment Plan designates the land use for P20 as open space. As a narrow, undeveloped strip of land, P20 is not furthering the Mission Bay South Redevelopment Plan’s objectives and policies. Refer to Attachment 1 for a map of the Redevelopment Plan Area, P20, and Seawall Lot 337.

Under Assembly Bill 2797 (“AB 2797”), signed by the Governor in 2016, the Legislature adopted findings recognizing that the Port was engaged in negotiations with a developer to lease and revitalize Seawall Lot 337, a portion of Terry Francois Boulevard, Pier 48 and the marginal wharf between Piers 48 and 50. The Legislature determined that the proposed revitalization “is of particular importance to the state.” As such, AB 2797 acknowledges that P20 is part of the reconfiguration of Seawall Lot 337 and that removal of P20 from the Redevelopment Plan and related plans and agreements is necessary for the revitalization of Seawall Lot 337. AB 2797 provides that the Successor Agency may amend the Redevelopment Plan and related plans and agreements to remove P20 from the Redevelopment Plan Area boundary and to undertake related actions without the need for action by the Department of Finance that would otherwise be required under the Redevelopment Dissolutions Law, California Health & Safety Code Sections 34170 et seq.

The Plan Amendments remove P20 from the Redevelopment Plan Area. They are narrow in scope and involve only modifications to the Redevelopment Plan’s Attachment 1 – Land Use

Plan and Legal Description, Attachment 2 – Redevelopment Plan Area Map, and Attachment 3-Development Land Use Map. The Plan Amendments are limited to adjusting these attachments such that P20 is no longer reflected in the plan’s legal description and in corresponding maps. Subsequent to the Plan Amendments taking effect, the Redevelopment Plan will continue to function without any modification less the removal of the 0.3-acre area.

This Report is prepared pursuant to Section 33457.1 of the California Community Redevelopment Law, Health and Safety Code Sections 33000 *et seq.*, (“CRL”), which delineates the information that the Successor Agency must provide to the Board of Supervisors for its consideration of amendments to a redevelopment plan. Section 33457.1 provides as follows:

“To the extent warranted by a proposed amendment to a redevelopment plan, (1) the ordinance adopting an amendment to a redevelopment plan shall contain the findings required by Section 33367 and (2) the reports and information required by Section 33352 shall be prepared and made available to the public prior to the hearing on such amendment.”

Because the scope of the Plan Amendments is minor and technical in nature – removing a small and isolated sliver of land from the Redevelopment Plan Area consistent with AB 2797 – the contents of the Report to the Board are limited, consistent with the CRL, to the following: the reason for the Plan Amendments; the determination of General Plan consistency; the report on the environmental review required by Section 21151 of the Public Resources Code; and the neighborhood impact report.

DESCRIPTION OF THE PLAN AMENDMENTS

Background

The Board of Supervisors adopted the Redevelopment Plan on November 2, 1998, by Ordinance No. 335-98. The Board of Supervisors adopted by Ordinance No. 143-13 the first amendment to the Redevelopment Plan on July 9, 2013. The Redevelopment Plan establishes land use controls for the Redevelopment Plan Area.

The Redevelopment Plan establishes the powers, duties and obligations to implement the development program with respect to all real property. Policies in the Redevelopment Plan are intended to achieve conformity with the Central Waterfront Area Plan adopted by the Planning Commission in 1990, and a “Preliminary Plan” adopted pursuant to Planning Commission Motion No. 14483 on October 23, 1997.

P20 is a 0.3 acre strip of land on the southern side of Seawall Lot 337. Seawall Lot 337 is public trust property owned by, and subject to the jurisdiction of, the Port. Of that area, only P20 is included within the Redevelopment Plan. Seawall Lot 337 (including P20) is not part of the Central Waterfront Plan, and is separated from the remainder of the Redevelopment Plan Area by Mission Rock Street. Seawall Lot 337 is subject to the Port’s Waterfront Land Use Plan, and is the focus of development objectives and criteria established by the Port in part through its Seawall Lot 337 Commission Committee. P20, however, is included within the Redevelopment Plan boundary, and identified as open space by that plan.

The Legislature adopted two bills for the purpose of facilitating the redevelopment of Seawall Lot 337. AB 215 (2007) authorized the Port to enter into 75-year leases for Seawall Lot 337. AB 2797 (described above) both clarified the duration of permissible leases and expedited the procedure for removal of P20 from the Redevelopment Plan and related plans and agreements. These State-level approvals corresponded with the Port's effort to conduct comprehensive land use planning for Seawall Lot 337 and initiate a private developer solicitation process.

The proposed Seawall Lot 337 and Pier 48 Mixed-Use Project ("Mixed-Use Project") contemplates a 75-year lease by the Port to a private developer pursuant to which Seawall Lot 337 would be redeveloped for a mix of residential, commercial and open space uses. Project improvements would also include enhancements to Pier 48, the marginal wharf between Piers 48 and 50, and to adjacent streets. The area currently identified as P20 in the Redevelopment Plan is contemplated as a portion of a development parcel, as described in the Final Environmental Impact for the Seawall Lot 337 and Pier 48 Mixed-Use Project ("FEIR").

Purpose of the Plan Amendments

The purpose of the Plan Amendments is to remove P20 from the Redevelopment Plan consistent with AB 2797 and Proposition D (November 2015). Specifically, the Plan Amendments would make the following changes:

- Redevelopment Plan Attachment 1 (Land Use Plan and Legal Description) - the legal description would be amended to remove P20;
- Redevelopment Plan Attachment 2 (Plan Area Map) – adjust the boundary and remove reference to P20; and
- Redevelopment Plan Attachment 3 (Redevelopment Land Use Map) – adjust the boundary.

In addition to effectuating the Legislature's intent and promoting the Port's development goals, the amendments will benefit the adjacent development in the Redevelopment Plan Area. The Redevelopment Plan controls applicable to P20 are an impediment to the redevelopment of Seawall Lot 337. Seawall Lot 337 is an under-utilized and non-activated space that is not integrated with the adjacent Redevelopment Plan Area. Removing P20 from the Redevelopment Plan will facilitate and expedite the redevelopment and activation of Seawall Lot 337, which will in turn benefit the Redevelopment Plan Area by providing jobs, parks and open space (including eight acres of open space as contemplated by the Mixed-Use Project), and by increasing property values.

SCOPE OF THE REPORT

In accordance with Section 33457.1 of the CRL, this Report contains only the information required by Section 33352 of the CRL that is warranted by the Plan Amendments. Because the

Plan Amendments, as described above, are minor and technical, the contents of this Report are limited to the following:

- Reason for the Plan Amendments (subsection (a) of Section 33352 of the CRL);
- Description of how the Plan Amendments will improve or alleviate blighting conditions (subsection (b) of Section 33352 of the CRL);
- OCII's findings adopting the Planning Commission's findings concerning consistency with the General Plan. (Charter, Section 4.105.)
- The report on the environmental review required by Section 21151 of the Public Resources Code as applicable to the Plan Amendments (subsection (k) of Section 33352 of the CRL); and
- The neighborhood impact report (subsection (m) of Section 33352 of the CRL).

Other information that Section 33352 requires to support a new redevelopment plan is not necessary for the conforming Plan Amendments because of their minor and limited scope.

In approving the Redevelopment Plan in 1998 and amending it in 2013, the Board of Supervisors relied on information about the conditions of physical and economic blight within the Redevelopment Plan Area, the need for tax increment financing to carry out redevelopment in the Redevelopment Plan Area, and other factors justifying the establishment of the Redevelopment Plan Area. The Plan Amendments do not change financing limits or extend the duration of the Redevelopment Plan, and instead merely adjust the boundary of the plan to remove a relatively insignificant 0.3-acre portion of the approximately 238-acre Redevelopment Plan Area. Moreover, the Plan Amendments do not change the allowable land uses within the remaining area subject to the Redevelopment Plan. The Plan Amendments do not alter the blight and financial determinations made at the time the Redevelopment Plan was originally adopted, but rather, provide a development opportunity that will benefit the adjacent Redevelopment Plan Area.

The Plan Amendments do not contemplate changes in the specific goals, objectives or expenditures of OCII for the Redevelopment Plan Area.

REASON FOR THE PLAN AMENDMENTS

The purpose of the Plan Amendments is to remove P20 from the Redevelopment Plan consistent with AB 2797 and Port land use policy for Seawall Lot 337. The integration of P20 into the Mixed-Use Project will enhance the existing and proposed development in the Redevelopment Plan Area and thus assist the Successor Agency in fulfilling the following objectives and policies as described in Sections 103 and 104 of the Redevelopment Plan:

- A. Eliminating blighting influences and correcting environmental deficiencies in the Redevelopment Plan Area, including, but not limited to, abnormally high vacancies,

abandoned buildings, incompatible land uses, depreciated or stagnant property values, and inadequate or deteriorated public improvements, facilities and utilities. (§103, Objective A)

- B. Replanning, redesigning, and developing undeveloped and underdeveloped areas which are improperly utilized. (§103, Objective D)
- C. Achieving the objectives described above [in Section 103 of the Redevelopment Plan] in the most expeditious manner feasible. (§103, Objective L)
- D. Integrate Mission Bay South land uses, scale and circulation systems with surrounding districts and San Francisco Bay. (§104, Policy A.2)
- E. Create a variety of retail and other visitor-serving uses that benefit residents, workers and visitors, including regional retail, entertainment, recreational and hotel uses. (§104, Policy A.3)
- F. Where appropriate, design building forms and ground floor uses that enliven and activate streets and open space and which provide visual interaction between building occupants and pedestrians (“eyes on the street”) for safety and security. (§104, Policy A.5)
- G. Create visual and physical access to San Francisco bay and the channel of China Basin. (§104, Policy B.3)
- H. Provide a variety of open spaces adequate to serve the Mission Bay South community and to augment the City’s open space network. (§104, Objective 6)

DESCRIPTION OF HOW THE AMENDMENT WILL IMPROVE OR ALLEVIATE BLIGHT

Portions of the Redevelopment Plan Area are characterized by remaining blighting conditions, including, but are not limited to, vacant property, incompatible land uses, and inadequate public improvements, particularly parks and open space.

The Plan Amendments will help to alleviate adverse conditions that contribute to blight remaining within portions of the Redevelopment Plan Area by expediting the redevelopment of Seawall Lot 337 (as well as Pier 48 and adjacent streets) as a vibrant mixed-use development with affordable and below market rate housing, commercial use and new parks and open space. Because Seawall Lot 337 (inclusive of P20) is immediately adjacent to the Redevelopment Plan Area, its redevelopment will create new employment and ownership opportunities for Redevelopment Plan Area residents and can be reasonably expected to increase property values within the Redevelopment Plan Area. Redevelopment of Seawall Lot 337 will contribute to an integrated and enhanced waterfront area that includes both the Redevelopment Plan Area and the area within the Mixed-Use Project.

REFERRAL TO THE PLANNING DEPARTMENT

On October 5, 2017, the Planning Commission, in Motion No. 20019, determined that the Plan Amendments are consistent with the General Plan, and adopted a specific finding in that regard. OCII has considered Motion No. 20019 and adopts the Planning Commission's findings as its own as applicable.

ENVIRONMENTAL REVIEW

On October 5, 2017, the Planning Commission by Motion No. 20017 certified the FEIR under the California Environmental Quality Act ("CEQA") for the Mixed-Use Project. The FEIR evaluated the environmental impacts associated with the Plan Amendments. OCII reviewed the Planning Department's findings as stated in Motion No. 20017 in light of the Plan Amendments, and determined that development resulting from the Plan Amendments requires no additional environmental review pursuant to State CEQA Guidelines Section 15162, and that all environmental effects have been considered and analyzed in the FEIR.

NEIGHBORHOOD IMPACT REPORT

The Plan Amendments do not impact or alter the Redevelopment Plan's commitment to provide affordable housing. The Redevelopment Plan provides for the development of up to approximately 3,440 residential units, approximately 1,100 of which will be offered at below market rates. The inclusion of P20 in the Redevelopment Plan Area is not necessary to fulfill the housing objectives of the Redevelopment Plan. The process and requirements for the development of approximately 3,440 homes within the Redevelopment Plan Area is designed to provide new housing opportunities for households of diverse income, ages, lifestyles and family size. As of August 2017, 2,332 housing units have been completed, of which 350 are affordable homes. Another 612 units are under construction, of which 262 are affordable. Another 496 units are planned for the Project Area. OCII continues to promote the development of a wide variety of affordable housing including mixed-use development, development of new and rehabilitation of existing rental and ownership units, infill development, mixed income development, and an array of senior housing possibilities. The housing opportunities within the Redevelopment Plan Area address the demand for housing suitable for families, seniors, young adults, and others with special needs. The amount and timing of this development has been and will continue to be dependent on the amount and pace of the overall development in the Redevelopment Plan Area.

The Plan Amendments do not change the number of residential units or the amount of affordable housing to be developed. Moreover, the Plan Amendments will not cause the destruction or removal of housing units from the low-and moderate-income housing market and no persons will be displaced, temporarily or permanently, from dwelling units as a result of the Plan Amendments. In summary, the Plan Amendments will have no impact on housing within the Redevelopment Plan Area or in any way impact housing obligations or objectives as described in the Redevelopment Plan, and will, by contrast, facilitate the development of affordable and market-rate housing adjacent to the Redevelopment Plan Area.

ATTACHMENT 1

Location of P20, Mission Bay South Redevelopment Plan Area, and Seawall Lot 337

